

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF RATTLESNAKE RIDGE	)	
WATER DISTRICT FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY TO	)	CASE NO.
CONSTRUCT, FINANCE, AND INCREASE RATES	)	2000-259
PURSUANT TO THE PROVISIONS OF KRS 278.023	)	

O R D E R

On May 25, 2000, Rattlesnake Ridge Water District ("Rattlesnake Ridge Water") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$5,052,400 waterworks improvement project. This project consists of the construction of a 1.5 MGD water treatment plant on Grayson Lake, a 500,000 gallon water storage tank, and a water transmission line to the proposed prison site in Elliott County. Project funding is through the issuance of \$1,325,000 of Rattlesnake Ridge Water's Waterworks Revenue Bonds at an interest rate not exceeding 4.5 percent per annum, a Rural Development ("RD") Grant in the amount of \$900,000, a Community Development Block Grant in the amount of \$2,000,000, an Appalachian Regional Commission Grant in the amount of \$466,000, a Kentucky Department of Transportation contribution in the amount of \$86,400, a Kentucky State Revenue Prison Tap Fee in the amount of \$75,000, and a State of Kentucky Surplus Grant in the amount of \$200,000.

Rattlesnake Ridge Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on May 25, 2000, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Rattlesnake Ridge Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Rattlesnake Ridge Water's proposed plan of financing with RD is accepted.
3. Rattlesnake Ridge Water is authorized to issue bonds not to exceed \$1,325,000.
4. Rattlesnake Ridge Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.
6. Three years from the effective date of this Order, Rattlesnake Ridge Water shall file an income statement, along with any pro forma adjustments, in sufficient detail to

demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 22<sup>nd</sup> day of June, 2000.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-259 DATED JUNE 22, 2000

The following rates and charges are prescribed for the customers in the area served by Rattlesnake Ridge Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

<u>3/ 4" x 5/8" Meter</u>			
First	1,000 gallons	\$ 11.95	Minimum bill
Next	4,000 gallons	7.50	per 1,000 gallons
Next	5,000 gallons	6.50	per 1,000 gallons
Next	10,000 gallons	5.50	per 1,000 gallons
Next	20,000 gallons	3.75	per 1,000 gallons
Over	40,000 gallons	2.90	per 1,000 gallons
<u>3/ 4" Meter</u>			
First	5,000 gallons	\$ 41.95	Minimum bill
Next	5,000 gallons	6.50	per 1,000 gallons
Next	10,000 gallons	5.50	per 1,000 gallons
Next	20,000 gallons	3.75	per 1,000 gallons
Over	40,000 gallons	2.90	per 1,000 gallons
<u>1" Meter</u>			
First	10,000 gallons	\$ 74.45	Minimum bill
Next	10,000 gallons	5.50	per 1,000 gallons
Next	20,000 gallons	3.75	per 1,000 gallons
Over	40,000 gallons	2.90	per 1,000 gallons
<u>1 1/2" Meter</u>			
First	30,000 gallons	\$ 101.95	Minimum bill
Next	10,000 gallons	3.75	per 1,000 gallons
Over	40,000 gallons	2.90	per 1,000 gallons
<u>2" Meter</u>			
First	50,000 gallons	\$168.45	Minimum bill
Over	50,000 gallons	2.90	per 1,000 gallons
<u>3" Meter</u>			
First	100,000 gallons	\$313.45	Minimum bill
Over	100,000 gallons	2.90	per 1,000 gallons